A **HEINEKEN ASIA PACIFIC PTE LTD v. SUPER LA VIA SDN BHD**

HIGH COURT MALAYA, KUALA LUMPUR
LIM CHONG FONG J
[CIVIL SUIT NO: WA-22IP-34-06-2018]
2 JANUARY 2019

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INTELLECTUAL PROPERTY: *Trade marks – Infringement of – Trade marks registered under class 32 – Registered trade mark used in counterfeit goods – Action for infringement by import, export, distribution and sale of goods bearing marks identical to or nearly resembling one or more of registered mark – Whether registered proprietor licensed or authorised use of trade mark – Whether use of offending trade mark proven – Whether offending mark purposefully crafted to imitate registered trade mark to mislead consumer – Whether counterfeit goods detrimental or fatal to consumers*

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D This was a summary judgment application pursuant to a trade mark infringement action. The plaintiff was a private limited company incorporated in Singapore and was part of the Heineken Group, an international group of companies which produced, manufactured, packaged, distributed, marketed and sold beer, non-alcoholic beer and a range of other beverages. The plaintiff was the registered proprietor in Malaysia of the trade E marks registered under class 32 ('Bintang marks'). The defendant was a private limited company incorporated in Malaysia involved in the business of mini-market, warehousing and storage facilities and general trading. The plaintiff filed an action against the defendant for trade mark infringement by the import, export, distribution and the sale of beer bearing marks which F were identical to or nearly resembling one or more of the Bintang marks and printed with the description 'Strong Filtered Beer' and 'Alc. 16%' which were not manufactured by or under the license of the plaintiff ('counterfeit Bintang Beer'). At all material times, the plaintiff's original beer manufactured by or under the licence of the plaintiff contained only 4.7% G alcohol by volume ('*abv*') or lower. The plaintiff submitted that the defendant had admitted to having imported three and a further two containers of canned counterfeit Bintang Beer into Malaysia *via* two shipments. However, the defendant denied any responsibility or liability contending that the defendant merely leased its import license for the importation of the five containers of H the beer.

Held (allowing application):

(1) The plaintiff's Bintang marks had been duly registered with MyIPO in class 32 and by s. 35(1) of the Trade Marks Act 1976 ('TMA'), thus the plaintiff had the exclusive rights to use the marks in relation to goods I of that class. In addition, the plaintiff's Bintang marks had been registered in excess of seven years and by s. 37 of the TMA was *prima facie* evidence of the validity of the marks. The plaintiff had never licensed or authorised the defendant to use the Bintang marks and the

defendant had not challenged the validity of the plaintiff's registered Bintang marks. The defendant was thus neither the registered proprietor nor the registered user of the Bintang marks. It was well known that the plaintiff's Bintang marks were only used in relation to the beer that contained 4.7% *abv* or lower as had been acknowledged and admitted by the defendant. (paras 23 & 24)

(2) Further, the defendant's shipping documents evidenced the shipment of the five container of beers such as the form for container, invoices, packing list and other forms, all contained the description 'Bintang Beer', 'Bintang 16%' or 'Bintang Beer 16%'. In the circumstances, the plaintiff had proven that the defendant used the Bintang marks in respect of counterfeit Bintang Beer which had not been cogently explained otherwise by the defendant. Consequently, the defendant had used the offending mark which was identical with or so nearly resembling the plaintiff's registered Bintang marks. (paras 25-27)

(3) The phrase 'use in the course of trade' in the TMA is wide and has been liberally interpreted, which is right and sensibly so, in view of rampant piracy and importation of counterfeit goods. This is particularly critical especially for counterfeit alcoholic beverages which can be detrimental, if not also fatal, to consumers. The court took judicial notice that there had recently been news reported in the local press of the existence of counterfeit alcoholic drinks in the country which had reported more than 45 deaths after innocent consumers purchased and consumed them with high methanol content. (para 29)

(4) Although the defendant submitted that it only leased its import licence and hence, was not the owner of the counterfeit Bintang Beer, the defendant's secondary act of abetment of others sufficed in connecting it with the use of counterfeit Bintang Beer, notwithstanding that others might have been the principal party which ultimately owned the counterfeit Bintang Beer which infringed the Bintang marks. Hence, the defendant's involvement in both the shipments constituted use of goods in the course of trade. Further, the defendant's non-ownership of the counterfeit Bintang Beer, as claimed by the defendant, was not *ipso facto* a statutory defence under the TMA. The act of abetment or facilitation rendered to a principal infringer is not a statutory excusable act. Therefore, it was plain that the defendant used the offending marks in relation to the goods, *to wit*, beer, in respect of which the Bintang marks were registered in class 32 for alcoholic beverages. (paras 30-32)

(5) The offending mark had been purposefully crafted to mimic or imitate the Bintang marks to mislead the public consumer that the counterfeit Bintang Beer was in fact produced by the plaintiff. In the premises, the plaintiff had summarily made out its case of trade mark infringement as pleaded against the defendant. There was neither a triable issue raised by the defendant nor otherwise a reason to hold a trial. Moreover, and

notwithstanding that the plaintiff had claimed, amongst others, for unliquidated damages to be assessed, it is trite that summary judgment may still be granted upon liability proven against the defendant. (paras 33-35)

Case(s) referred to:

Abercrombie & Fitch Co & Anor v. Fashion Factory Outlet KL Sdn Bhd & Ors [2008] 7 CLJ 413 HC ***(refd)***

Acushnet Company v. Metro Golf Manufacturing Sdn Bhd [2006] 7 CLJ 557 HC ***(refd)***

Avel Consultants Sdn Bhd & Anor v. Mohamed Zain Yusof & Ors [1985] 2 CLJ 11; [1985] CLJ (Rep) 37 SC ***(refd)***

Bank Negara Malaysia v. Mohd Ismail Ali Johor & Ors [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 SC ***(refd)***

Chanel v. Melawani2 International Sdn Bhd & Ors and Other Cases [2017] 6 CLJ 567 HC ***(refd)***

Chen Heng Pin & Ors v. Intradagang Merchant Bankers (M) Bhd [1995] 3 CLJ 690 CA ***(refd)***

Fabrique Ebel Societe Anonyme v. Sykt. Perniagaan Tukang Jam City Port & Ors [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537 HC ***(refd)***

Han Pit Loh Sdn Bhd v. Chun Heng Tin Mine [1975] 1 LNS 55 HC ***(refd)***

Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2) [2012] 10 CLJ 507 HC ***(refd)***

Philip Morris Brands SARL v. Goodness For Import and Export & Ors [2017] 10 CLJ 337 HC ***(refd)***

Legislation referred to:

Rules of Court 2012, O. 14 rr. 3, 4

Trade Marks Act 1976, ss. 3(2), 35(1), 37, 38, 40

For the plaintiff - Jasdev Singh Jaswant Singh & Amanda Lok I Hui; M/s Jasdev Chambers

For the defendant - Gobinath Mohanna; M/s The Law Office of Mohanna & Co

Reported by S Barathi

JUDGMENT

Lim Chong Fong J:

Introduction

[1] This is a summary judgment application pursuant to a trade mark infringement action.

[2] The plaintiff is a private limited company incorporated in Singapore and is part of the Heineken Group which is an international group of companies which produce, manufacture, package, distribute, market and sell beer, non-alcoholic beer and a range of other beverages.

[3] The plaintiff is the registered proprietor in Malaysia of, amongst others, the following valid and subsisting trade marks in class 32:

No.	Registration No.	Trade Mark	Specification
1.	2010021828	BINTANG	Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.
2.	2011010426		Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.
3.	2011005827		Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.

(collectively "Bintang marks")

[4] The plaintiff currently has direct presence in 19 countries across the Asia Pacific with more than 50 acclaimed beer brands including "Tiger", "Anchor", "ABC" and "Bintang" and 45 breweries across the region.

[5] The defendant is a private limited company incorporated in Malaysia involved in the business of mini-market, warehousing and storage facilities and general trading.

[6] The plaintiff on 7 June 2018 filed an action against the defendant for trade mark infringement by the import, export, distribution and the sale of beer bearing marks which are identical to or nearly resembling one or more of the Bintang marks and printed with the description "strong filtered beer" and "Alc. 16%" which are not manufactured by or under the license of the plaintiff ("counterfeit Bintang beer").

[7] On 11 June 2018, the plaintiff filed an application for certain injunctive orders against the defendant and on 3 July 2018, my predecessor Wong Kian Kheong J allowed the application till the conclusion and disposal of the action.

[8] Subsequently on 4 September 2018, the plaintiff filed this summary judgment application against the defendant ("application").

[9] The affidavits that were filed for purposes of this application are as follows:

(i) Plaintiff's affidavit in support affirmed by Tan Tzao Shen dated 4 September 2018;

(ii) Plaintiff's supplementary affidavit in support affirmed by Tam Tuck Ming dated 24 August 2018;

(iii) Defendant's affidavit in reply affirmed by Soong Hoy Kah dated 26 September 2018; and

(iv) Plaintiff's affidavit in reply affirmed by Tan Tzao Shen dated 16 October 2018.

[10] The application came before me for hearing on 18 December 2018. After having read the written submission filed by the parties and oral arguments of counsel, I allowed the application and entered summary judgment for the plaintiff in the following terms:

(i) A permanent injunction to restrain the Defendant whether acting by themselves, their directors, officers, successors in title, servants, agents, associated companies, businesses, present and future affiliated companies and businesses or any of them or otherwise, their employees, servants, principals or agents, whether jointly or severally or any of them or otherwise howsoever from doing the following acts or any of them, that is to say:

(a) infringing the Plaintiff's registered trade marks, particulars of which are set out below and/or any other marks so nearly resembling the Plaintiff's registered trade marks by use thereof in the course of trade:

No.	Registration No.	Trade Mark	Specification
4.	2010021828	BINTANG	Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.
5.	2011010426		Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.

6.	2011005827		Beer (including alcoholic beer and non-alcoholic beer), ale, lager, stout, porter; non-alcoholic malt beverages and brewed malt-based alcoholic beverages in the nature of beer; all included in class 32.

(hereinafter referred to as the "Bintang Marks")

(b) claiming and/or seeking for the release of and/or taking possession and/or custody and/or control and/or accepting delivery of beer bearing marks which are identical to and/or nearly resembling one or more of the Bintang Marks and printed with the description "Strong Filtered Beer" and "Alc. 16%" which are not manufactured by or under the license of the Plaintiff ("Counterfeit Bintang Beer");

(c) participating and/or conspiring in infringing the Plaintiff's Bintang Marks by the use of any marks which are identical with and/or nearly resembling the Plaintiff's Bintang Marks in relation to beer by participating/conspiring in the sale or offer for sale, import, export, bulk-breaking, packing, repacking, shipment, transshipment, loading, unloading, reloading, transloading, storing, transitional storing, transiting, transporting, transshipping, transferring, moving, labeling, relabeling, distributing, redistributing, claiming, taking delivery or custody or possession, obtaining the release of and/or in any way howsoever from dealing in the course of trade the Counterfeit Bintang Beer; and

(d) enabling, assisting, causing, procuring or authorising others to do any of the acts aforesaid;

(ii) That the Defendant disclose the following within seven (7) days from the date of judgment, such disclosure to be by way of and verified by an affidavit made on behalf of the Defendant and filed and served on the Plaintiff's solicitors:

(a) full details of the consignment of Counterfeit Bintang Beer including details of the shipper, consignee, notify party, shipping agent, vessel number, port of landing, port of discharge, container numbers, seal numbers, number of containers, detailed description of the shipment including the number of cartons, pictures of the shipment;

(b) all documents and records including but not limited to all invoices, books, contracts, delivery notes, orders, bills, correspondence, custom declaration forms and other articles and materials in connection with or relating to the storage, supply, distribution, import, export, sale, offer for sale or disposal of the infringing goods bearing the Bintang Marks which are in the possession, custody or control of the Defendant, their servants or agents or any of them;

A (c) full details such as name, address, telephone and facsimile numbers, contact persons of all factories the Defendant has been using to manufacture the Counterfeit Bintang Beer regardless of the countries in which these factories are located;

(d) full details of warehouses regardless of countries in which these are
B located where the Counterfeit Bintang Beer are awaiting shipment to the Defendant in Malaysia or any other countries; and

(e) full details such as name, address, telephone, facsimile numbers, email addresses and contact persons of all factories with whom the Defendant has pending orders for the manufacture of goods bearing
C one or more of the Bintang Marks;

(iii) That the Defendant provide a complete inventory of the Counterfeit Bintang Beer in its possession, control or custody within seven (7) days from the date of judgment and forthwith thereafter to file and serve an affidavit(s) verifying the contents of the said inventory;

D (iv) In the event that the consignment of the Counterfeit Bintang Beer is no longer within the jurisdiction, that the Defendant disclose the following within seven (7) days from the date of judgment, such disclosure to be by way of and verified by an affidavit made on behalf of the Defendant and filed and served on the Plaintiff's solicitors:

E (a) the details of the destination of the shipment of the Counterfeit Bintang Beer including the name of country, shipper, consignee, notify party, shipping agent, vessel number, port of loading, port of discharge, container numbers, seal numbers, number of containers, details of the shipment, booking number, bill of lading number, date of shipment, date of arrival and any other relevant information
F required to properly identify the shipment of the Counterfeit Bintang Beer; and

(b) copies of all relevant documentation including but not limited to all invoices, books, contracts, delivery notes, orders, bills, correspondence, custom declaration forms and other articles and materials in connection with or relating to the shipment of the
G Counterfeit Bintang Beer;

(v) An order for the disclosure by the Defendant of the following within seven (7) days from the date of judgment, such disclosure to be by way of and verified by an affidavit made on behalf of the Defendant and filed and served on the Plaintiff's solicitors:

H (a) the name and address of everyone who has supplied the Defendant or offered to supply the Defendant with infringing goods bearing the Bintang Marks;

(b) the name and address of all parties to whom the Defendant has supplied or offered to supply with infringing goods bearing the
I Bintang Marks; and

(c) full details (supported by documentary proof where available) of the dates and quantities of every such supply and offer to and by the Defendant;

(vi) An order for delivery up of the following to the Plaintiff's solicitors within seven (7) days from the date of judgment and for the Defendant to within seven (7) days after such delivery up thereafter to file and serve affidavit(s) on the Plaintiff's solicitors verifying the following:

(a) the two (2) containers (Container Nos. BSIU2746737 and FCIU4013222) and all contents therein, and any other container(s) where the Counterfeit Bintang Beer may be stored or transported in;

(b) all goods which infringe the Bintang Marks or any part thereof and/or all items, packaging materials, inserts, wrappers or other printed materials in the possession, custody and/or control of the Defendant in relation to which the continued retention, use of or dealings with by the Defendant would be a breach of the injunction prayed for; and

(c) all documents and records including but not limited to all invoices, books, contracts, delivery notes, orders, bills, correspondence, custom declaration forms and other articles and materials in connection with or relating to the storage, supply, distribution, import, export, sale, offer for sale or disposal of the infringing goods bearing the Bintang Marks which are in the possession custody or control of the Defendant, their servants or agents or any of them;

(vii) An order for all goods, materials or articles which infringe the said Plaintiff's Bintang Marks and/or which the use of or dealing in with by the Defendant would be a breach of the injunctions prayed for, to be released to the Plaintiff's solicitors;

(viii) An order that all goods, materials or articles which infringes the Plaintiff's Bintang Marks be delivered up and/or released under prayers (vi) and (vii) above may be destroyed at the Plaintiff's option and all such costs of the destruction to be borne by the Defendant;

(ix) An inquiry as to damages or, at the Plaintiff's option, an account of profits and an order for payment of all sums found due upon the making of such inquiry or that taking of such account together with interest thereon at such rate and for such period as this Honourable Court deems fit;

(x) Where the Plaintiff elects for an account of profits under prayer (ix), an order that the Defendant prepares all the necessary accounts, furnishes all relevant documentation and makes all necessary enquiries;

(xi) An order for payment of all sums found due under prayer (ix) above together with interest thereon at 5% per annum from the date of judgment until full settlement thereof; and

(xii) Costs of RM30,000.00 forthwith together with interest thereon at 5% per annum from the date of judgment until full settlement thereof.

[11] I now furnish the grounds of my decision.

Contentions And Findings

[12] In a nutshell, the plaintiff's case and contentions against the defendant is trade mark infringement by the import, export, distribution and/or the sale of canned counterfeit Bintang beer.

[13] At all material times, the plaintiff's original beer manufactured by or under the licence of the plaintiff contains only 4.7% alcohol by volume ("abv") or lower. These canned counterfeit Bintang beer are printed with one of the Bintang marks and described as "Strong Cold Filtered Beer" and "Alc. 16%".

[14] In this regard, the plaintiff submitted that the defendant has admitted to having imported three and a further two containers of canned Counterfeit Bintang beer into Malaysia *via* two shipments in November 2017 and February 2018 respectively. The beer imported in the aforesaid first shipment of three containers of beer nos. MHSU2316777, UNXU3085653 and MHSU2252055 were found circulated in the retail outlets in Malaysia as evidenced by several trap purchases of the plaintiff in December 2017. The aforesaid second shipment of two containers of beer nos. BSIU2746737 and FCIU4013222 were detained by the Royal Malaysian Customs but was subsequently released upon the appeal of the defendant. The plaintiff submitted that the defendant has in 2018 imported 3,260 cartons or 78,240 cans of Bintang beer and further emphasised that the defendant still has the import license from the Royal Malaysian Customs to import a huge quantity of 160,000 cartons or 3,840,000 cans of Bintang beer in the second half of 2018.

[15] From the cause papers filed pursuant to this application, the plaintiff therefore contended that it has made out a strong case of trade mark infringement against the defendant following the case of *Leo Pharmaceutical Products Ltd A/S (Lovens Kemiske Fabrik Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (No 2)* [2012] 10 CLJ 507; 13 MLRH 385. As the result, the plaintiff is further entitled to seek summary judgment thereof following *Acushnet Company v. Metro Golf Manufacturing Sdn Bhd* [2006] 7 CLJ 557; [2006] 3 MLRH 87 and *Chanel v. Melawani 2 International Sdn Bhd & Ors and Other Cases* [2017] 6 CLJ 567; [2017] 6 MLRH 175.

[16] The defendant in rebuttal primarily put the plaintiff to strict proof its allegations and maintained that the imported beer are original Bintang beer. In any event, the defendant claimed it was only a middle-man and the imported beer were not meant for the Malaysian market. The shipments of the five containers of beer arrived in Malaysia as a transhipment port only. The ownership of the first shipment of the three containers of beer was transferred to Marten Luxury Sdn Bhd.

[17] In the premises, the defendant denies any responsibility or liability because the defendant merely leased its import license for the importation of the five containers of the beer.

[18] Since this is a summary judgment application, it is provided in O. 14 rr. 3 and 4 of the Rules of Court 2012 on summary judgment as follows:

3. Judgment for plaintiff (O. 14 r. 3)

(1) Unless on the hearing of an application under rule 1 either the Court dismisses the application or the defendant satisfies the Court with respect to the claim, or the part of a claim, to which the application relates that there is an issue or question in dispute which ought to be tried or that there ought for some other reason to be a trial of that claim or part, the Court may give such judgment for the plaintiff against that defendant on that claim or part as may be just having regard to the nature of the remedy or relief claimed.

(2) The Court may by order, and subject to such conditions, if any, as may be just, stay the execution of any judgment given against a defendant under this rule until after the trial of any counterclaim made or raised by the defendant in the action.

4. Leave to defend (O. 14 r. 4)

(1) A defendant may show cause against an application under rule 1 by affidavit or otherwise to the satisfaction of the Court.

(2) Rule 2(2) applies for the purposes of this rule as it applies for the purposes of that rule.

(3) The Court may give a defendant against whom such an application is made leave to defend the action with respect to the claim, or the part of a claim, to which the application relates either unconditionally or on such terms as to giving security or time or mode of trial or otherwise as it thinks fit.

(4) On the hearing of such an application the Court may order a defendant showing cause or, where that defendant is a body corporate, any director, manager, secretary, or other similar officer thereof, or any person purporting to act in any such capacity:

(a) to produce any document; and

(b) if it appears to the Court that there are special circumstances which make it desirable that he should do so, to attend and be examined under oath.

[19] The law on summary judgment is plainly set out in *Bank Negara Malaysia v. Mohd Ismail Ali Johor & Ors* [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 wherein Mohd Azmi SCJ held as follows:

Under an O. 14 application, the duty of a Judge does not end as soon as a fact is asserted by one party, and denied or disputed by the other on affidavit. Where such assertion, denial or dispute is equivocal, or lacking in precision or is inconsistent with undisputed contemporary documents or other statements by the same deponent or is inherently improbable in itself, then the Judge has a duty to reject such assertion or denial, thereby rendering the issue as not triable. In our opinion, unless

this principle is adhered to, a Judge is in no position to exercise his discretion judicially under an O. 14 application. Thus, apart from identifying the issues of fact or law, the Court must go one step further and determine whether they are triable. This principle is sometimes expressed by the statement that a complete defence need not be shown. The defence set up need only show that there is a triable issue.

Where the issue raised is solely a question of law without reference to any facts or where the facts are clear and undisputed, the Court should exercise its duty under O. 14. If the legal point is understood and the Court is satisfied that it is unarguable, the Court is not prevented from granting a summary judgment, merely because "the question of law is at first blush of some complexity and therefore takes a little longer to understand". (See *Cow v. Casey* [1949] All ER 197; and *European Asian Bank AG v. Punjab & Sind Bank* [1983] 2 All ER 508 at 516).

[20] In the intellectual property law case of *Fabrique Ebel Societe Anonyme v. Sykt. Perniagaan Tukang Jam City Port & Ors* [1989] 1 CLJ 919; [1989] 1 CLJ (Rep) 537; [1988] 1 MLJ 188, Zakaria Yatim J (later FCJ) held as follows as summarised in the following headnotes:

(1) The court has jurisdiction to enter summary judgment under Order 14 of the Rules of the High Court for an injunction;

(2) In order to succeed in its application for summary judgment under Order 14, the plaintiff must satisfy three conditions as laid down in the order: firstly, the defendants must have entered appearance; secondly, the statement of claim has been served on the defendants and, thirdly, the application for summary judgment must be supported by affidavit. In this case, the plaintiff has satisfied all the three conditions;

(3) In order to establish infringement of the trade mark, the plaintiff has to satisfy the following five requirements: (a) the defendants used the mark identical with the plaintiff's mark (b) the offending mark was used by persons who have not been authorised or licensed by the plaintiff (c) the defendants were using the offending mark in the course of trade (d) the defendants used the offending mark in relation to goods in respect of which the trade mark is registered (e) the defendants used the offending mark in such a manner as to render the use of the mark likely to be taken as being used as a trade mark. In this case, the plaintiff has satisfied all the five requirements;

(4) Since the plaintiff is applying for summary judgment against the defendants on an action for infringement comparison must be made between the plaintiff's registered mark and the mark used by the defendants. Having made the comparison and having considered the evidence in the affidavits, the court was satisfied that the defendants had infringed the plaintiff's registered trade mark under section 38(1)(a) of the Trade Marks Act, 1976;

(5) From the affidavits and the statement of defence filed by the defendants, they have not disclosed any triable issue at all. Their defence is a bare denial without giving any particulars at all;

(6) The plaintiff's application for final judgment under Order 14 must therefore be allowed.

Furthermore, in another intellectual property law case of *Abercrombie & Fitch & Anor v. Fashion Outlet KL Sdn Bhd & Ors* [2008] 7 CLJ 413, Ramly Ali J (now FCJ) held as follows:

> [42] In order to succeed in their application under O. 14 RHC 1980, the plaintiffs in the present case must on merit establish their cause of action against the defendants for trade mark infringement and that the defendants have not raised any defence to the plaintiffs' claim or any triable issue for that matter. Once the plaintiffs succeed in making out a *prima facie* case against the defendants, the onus then shifts to the defendants to show to this court as to why summary judgment should not be entered against them. What constitute a triable issue in an application for summary judgment?
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> Triable issue means issue raised by the defendants which is fit to be tried. The defendants must provide answers on oath which constitute evidence that they have defence which is fit to be tried. Denial in a defence does not constitute evidence (see: *Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Berhad* [1995] 3 CLJ 690; and *Acushnet Company v. Metro Golf Manufacturing Sdn. Bhd. (supra)*. A mere bare assertion by the defendants would not be sufficient. The duty of the court is quite onerous in the extreme. The court must be vigilant and must view in prospective at the whole scenario in order to ascertain whether the defendants have a real or what is commonly known as a *bona fide* defence.
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> (see: *Renofac Builder (M) Sdn. Bhd. v. Chase Perdana Bhd.* [2001] 5 CLJ 371).
>
> [43] At the end of the day, to borrow the phraseology used in the *Acushnet Company* case, the only issue for the Court to determine in the present case is one of law, i.e., whether based on the facts available there has been an infringement of the Plaintiff's registered trade mark ...

[21] I have meticulously reviewed the plaintiff's affidavit in support and supplementary affidavit in support of the application which have been substantiated by cogent documentary evidence available to the plaintiff. On the other side, the defendant's affidavit in reply is basically one of bare and bald denials.

[22] That notwithstanding, I have still to be satisfied that the five elements as set out in the cases of *Fabrique Ebel Societe Anonyme v. Syarikat Perniagaan Tukang Jam City Port & Ors (supra)* and *Leo Pharmaceutical Products AS (Lovens Kemiske Produktionsaktieselskab) v. Kotra Pharma (M) Sdn Bhd (supra)* are met by the plaintiff.

[23] In this respect, I am firstly satisfied the plaintiff's Bintang marks have been duly registered with MyIPO in class 32 and by s. 35(1) of the TMA, the plaintiff has the exclusive rights to use the marks in relation to goods of that class. It is provided as follows in s. 35 of the TMA:

35. Rights given by registration

(1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

(2) Where two or more persons are proprietors of registered trade marks which are identical or nearly resembling each other rights of exclusive use of either of those trade marks are not (except so far as their respective rights have been defined by the Registrar or the Court) acquired by any one of those persons as against any other of those persons by registration of the trade mark but each of those persons have the same rights as against other persons (not being registered users) as he would if he were the sole registered proprietor.

In addition, the plaintiff's Bintang marks have been registered in excess of seven years and by s. 37 of the TMA is *prima facie* evidence of the validity of these marks. It is provided in s. 37 of the TMA as follows:

37. Registration conclusive

In all legal proceedings relating to a trade mark registered in the Register (including applications under section 45) the original registration of the trade mark under this Act shall, after the expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown-

(a) that the original registration was obtained by fraud;

(b) that the trade mark offends against section 14; or

(c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor, except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection 6(3) until after the expiration of three years from the commencement of this Act.

At all material times, the plaintiff has never licensed or authorised the defendant to use the Bintang marks. I have also noticed that the defendant has not challenged the validity of the plaintiff's registered Bintang marks.

[24] It is thus not in dispute that the defendant is neither registered proprietor nor registered user of the Bintang marks. Moreover, it is well known that the plaintiff's Bintang marks are only used in relation to beer that contains 4.7% abv or lower. This has in fact been acknowledged and admitted by the defendant. In its affidavit in reply, the defendant stated; "I also believe that the consumers of beer that purchase beer with more than 16% alcohol content will have full knowledge that the beer is not manufactured by the plaintiff."

[25] However and as averred by the plaintiff in its affidavit in support of the application, it is plain from the defendant's shipping documents that evidenced the aforesaid shipment of the five container of beers such as the form for container, invoices, packing list and other forms all contained the description "Bintang Beer", "Bintang 16%" or "Bintang Beer 16%". Thus and unless otherwise satisfactorily explained by the defendant but which was not done here, the irresistible conclusion is that the defendant had used the Bintang marks without the authorisation of the plaintiff in its importation of the canned counterfeit Bintang beer. This is also corroborated by the presence of the sales of canned beers printed with one of the Bintang marks and described as "Strong Cold Filtered Beer" and "Alc. 16%" ("offending mark") in seven retail outlets in Kuala Lumpur and Petaling Jaya from the trap purchases conducted by the plaintiff in December 2017.

[26] The plaintiff has in the circumstances proved that the defendant used the Bintang marks in respect of counterfeit Bintang beer which has not been cogently explained otherwise by the defendant.

[27] Secondly, it is consequently plain that the defendant used the offending mark which is identical with or so nearly resembling the plaintiff's registered Bintang marks. This is evident from the shipping documents that used the description "Bintang Beer", "Bintang 16%" or "Bintang Beer 16%" as well as the comparison between the offending mark printed on the canned counterfeit Bintang beer contemporaneously bought through the trap purchases and the plaintiff's Bintang marks in December 2017.

[28] Thirdly, the defendant used the mark in the course of trade. In this respect ss. 3(2) and 38 of the TMA provide as follows:

> 3. Interpretation
>
> (1) ...
>
> (2) In this Act:
>
> (a) references to the use of a mark shall be construed as references to the use of a printed or other visual representation of the mark;
>
> (b) references to the use of a mark in relation to goods shall be construed as references to the use thereof upon, or in physical or other relation to, goods; and
>
> (c) references to the use of a mark in relation to services shall be construed as references to the use thereof as a statement or as part of a statement about the availability or performance of services.
>
> 38. Infringement of trade mark
>
> (1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical

A with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark;

B (b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

C (c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to

D services with the provision of which the person is connected in the course of trade.

In *Philip Morris Brands Sarl v. Goodness For Import and Export & Ors* [2017] 10 CLJ 337, Wong Kian Kheong JC (now J) cogently held as follows:

E [36] Associate Professor Tay Pek San, has opined in *"Infringement of Trade Marks under the Trade Marks Act 1976"* [1996] 23 JMCL 79, at 89, as follows:

(iii) The use was in the course of trade

To constitute infringement, the mark must also be used 'in the course of trade' and not in a domestic, social or other non-trading

F **manner**. The phrase 'in the course of trade' in relation to the provision of services means, according to section 3(1) [TMA], 'in the course of business'. There is no corresponding definition in relation to goods. However, *it appears that the phrase is wide enough to cover steps necessary for the production of goods up to the time of their ultimate sale or delivery to the customers. There is no requirement that there be an actual sale*

G … .

(emphasis added).

[37] I accept the above cases and the opinion of Associate Professor Tay regarding the meaning of the phrase "in the course of trade" in s. 38(1) TMA. There is use of a mark on goods "in the course of trade" under

H s. 38(1)(a) TMA when:

(a) the mark is used on goods in respect of a:

(i) business conducted for profit;

(ii) business of a specified nature; or

I (iii) transaction with a person for a thing

(please see the Federal Court's judgment in *Mesuma Sports*); and

(b) the mark is used on goods before the ultimate delivery or sale of goods to the customer - please see Lord MacMillan's judgment in *Aristoc, Sony Corporation* and Associate Professor Tay's opinion.

The phrase "in the course of trade" in s. 38(1) TMA is not confined to:

(i) manufacture of goods in Malaysia;

(ii) import of goods into Malaysia;

(iii) offer to sell goods in Malaysia;

(iv) sale of goods in Malaysia; or

(v) marketing, promotion or advertisement of goods in Malaysia.

[38] Based on the above cases and academic opinion, transhipment of ten containers of MALIMBO cigarettes in Malaysia constituted a use of MALIMBO mark on cigarettes "in the course of trade" within the meaning of s. 38(1) TMA because:

(a) the transhipment was a:

(i) business conducted for profit;

(ii) business of a specified nature; and/or

(iii) transaction with a person for a thing;

(b) the MALIMBO mark was used on cigarettes before the ultimate delivery or sale of MALIMBO cigarettes to the first defendant's customers in Egypt; and

(c) the substantial quantity of MALIMBO cigarettes in the ten containers clearly showed that the first defendant had intended to use MALIMBO mark for the purpose of trade.

[29] Thus it is seen that the phrase "use in the course of trade" in the TMA is wide and has been liberally interpreted. In my opinion, this is right and sensibly so in view of rampant piracy and importation of counterfeit goods. This is particularly critical especially for counterfeit alcoholic beverages which can be detrimental, if not also fatal, to consumers. I take judicial notice that there has recently been news reported in the local press of the existence of counterfeit alcoholic drinks in the country which have reported more than 45 deaths after innocent consumers purchased and consumed them with high methanol content.

[30] In this case, the defendant submitted in attempted defence (*albeit* not averred in the defendant's affidavit in reply) to be the middle-man which leased its import licence and imported the shipment of three containers (4,719 cartons comprising of 113,256 cans) of counterfeit Bintang beer for Martens Luxury Sdn Bhd and another shipment of two containers (3,260 cartons comprising 78,240 cans) of counterfeit Bintang beer for transhipment to another country. Simply put, the defendant was not the owner of the counterfeit Bintang beer. In this respect, I am of the view that the defendant's secondary act of abetment of others sufficed in connecting it with the use of

counterfeit Bintang beer notwithstanding others may have been the principal party which ultimately owned the counterfeit Bintang beer which infringed the Bintang marks. I therefore hold that the defendant's involvement in both the aforesaid shipments constituted use of goods in the course of trade.

[31] That aside, the defendant's non ownership of the counterfeit Bintang beer as claimed by the defendant is not *ipso facto* a statutory defence under the TMA. Put it in another way, the act of abetment or facilitation rendered to a principal infringer is not a statutory excusable act. In this connection, s. 40 of the TMA provides the excusable acts as follows:

> 40. Acts not constituting infringement
>
> (1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark:
>
> (a) the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;
>
> (b) the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference as is mentioned in paragraph 38(1)(b) or paragraph 56(3)(b);
>
> (c) the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before:
>
> (i) the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of the trade mark; or
>
> (ii) the registration of the trade mark, whichever is the earlier;
>
> (d) in relation to goods connected in the course of trade with the registered proprietor or a registered user of the trade mark if, as to those goods or a bulk of which they form part, the registered proprietor or the registered user in conforming to the permitted use has applied the trade mark and has not subsequently removed or obliterated it or has at any time expressly or impliedly consented to the use of the trade mark;
>
> (dd) the use by a person of a trade mark in relation to goods or services to which the registered proprietor or registered user has at any time expressly or impliedly consented to;
>
> (e) the use of the trade mark by a person in relation to goods or services adapted to form part of, or to be accessory to, other goods or services in relation to which the trade mark has been used without infringement of the right given or might for the time being be so used, if the use of the trade mark is reasonably necessary in order to indicate that the goods or services are so

adapted and neither the purpose nor the effect of the use of trade mark is to indicate otherwise than in accordance with the facts a connection in the course of trade between any person and the goods or services; and

(f) the use of a trade mark, which is one of two or more registered trade marks which are substantially identical, in exercise of the right to the use of that trade mark given by registration as provided by this Act.

(2) Where a trade mark is registered subject to conditions, amendments, modifications or limitations, the trade mark is not infringed by the use of the trade mark in any manner in relation to goods to be sold or otherwise traded in in a place or in relation to goods to be exported to a market or in relation to services to be provided in a place or in any other circumstances to which having regard to those conditions, amendments, modifications or limitations the registration does not extend.

[32] Fourthly, it is therefore plain in the circumstances that the defendant used the offending marks in relation to the goods, *to wit*; beer in respect of which the Bintang marks were registered in class 32 for alcoholic beverages.

[33] Fifthly and finally, it is also likewise plain in the circumstances that the defendant used the offending mark in such manner as to render the use of the offending mark likely to be taken used as a trade mark. In my opinion, the offending mark had been purposefully crafted to mimic or imitate the Bintang marks to mislead the public consumer that the counterfeit Bintang beer was in fact produced by the plaintiff. This is the inescapable conclusion.

[34] In the premises, I find and hold that the plaintiff has summarily made out its case of trade mark infringement as pleaded against the defendant. There is neither a triable issue raised by the defendant nor otherwise a reason to hold a trial. In other words, there is no defence to be tried following the case of *Han Pit Loh Sdn Bhd v. Chun Heng Tin Mine* [1975] 1 LNS 55; [1976] 2 MLJ 20 and the Court of Appeal case of *Chen Heng Pin & Ors v. Intradagang Merchant Bankers (M) Bhd* [1995] 3 CLJ 690.

[35] Moreover and notwithstanding that the plaintiff has claimed amongst others for unliquidated damages to be assessed, it is trite that summary judgment may still be granted upon liability proven against the defendant following the Supreme Court case of *Avel Consultants Sdn Bhd & Anor v. Mohamed Zain Yusof & Ors* [1985] 2 CLJ 11; [1985] CLJ (Rep) 37; [1985] 2 MLJ 209.

Conclusion

[36] It is for the foregoing reasons that I entered summary judgment for the plaintiff as so ordered.